



## TEXAS DEPARTMENT OF INSURANCE

### Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

## MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

### GENERAL INFORMATION

**Requestor Name**

Doctor's Hospital at Renaissance

**Respondent Name**

Wal Mart Associates Inc

**MFDR Tracking Number**

M4-16-2742-01

**Carrier's Austin Representative**

Box Number 53

**MFDR Date Received**

May 10, 2016

### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "After reviewing the account we have concluded that reimbursement received was inaccurate. Based on CPT Code 72070, allowed amount of \$95.02, multiplied at 200% and CPT Code 72110, allowed amount of \$95.02, multiplied at 200% reimbursement should be \$380.08. Payment received was only \$169.48, thus, according to these calculations; there is a pending payment in the amount of \$210.60."

**Amount in Dispute:** \$169.48

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "The Division placed a copy of the Medical Fee Dispute Resolution request in the insurance carrier's Austin representative box, which was acknowledged, received on May 17, 2016. The insurance carrier did not submit a response for consideration in this review. Per the Division's former rule at 28 Texas Administrative Code §133.307(d)(1), "If the Division does not receive the response information within 14 calendar days of the dispute notification, then the Division may base its decision on the available information." Accordingly, this decision is based on the available information."

### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 1, 2015	72070, 72110	\$169.48	\$169.48

### FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

**Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for services provided in an

outpatient hospital setting.

3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 97 – Payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
  - 43 – The charge for this procedure was not paid since the value of this procedure is included/bundled within the value of
  - W3 – Additional payment made on appeal/reconsideration

In order to calculate the correct Division fee guideline, stakeholders should be familiar with the main components in the calculation of the Medicare payment for OPPS services which are:

1. **How payment rates are set** - found at, [www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HospitalOutpaysysfctsh.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HospitalOutpaysysfctsh.pdf). To account for geographic differences in input prices, the labor portion of the national unadjusted payment rate (60 percent) is further adjusted by the hospital wage index for the area where payment is being made. The remaining 40 percent is not adjusted.
2. **Payment status indicator** - The status indicator identifies whether the service described by the HCPCS code is paid under the OPPS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPS or under another payment system or fee schedule. The relevant status indicator may be found at the following: [www.cms.gov](http://www.cms.gov), Hospital Outpatient Prospective Payment – Final Rule, OPPS Addenda, Addendum D1.
3. **APC payment groups** - Each HCPCS code for which separate payment is made under the OPPS is assigned to an ambulatory payment classification (APC) group. The payment rate and coinsurance amount calculated for an APC apply to all of the services assigned to the APC. A hospital may receive a number of APC payments for the services furnished to a patient on a single day; however, multiple surgical procedures furnished on the same day are subject to discounting. The relevant payment amount for each APC may be found at: [www.cms.gov](http://www.cms.gov), Hospital Outpatient Prospective Payment – Final Rule, OPPS Addenda Addendum B. These files are updated quarterly.

### Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. What is the applicable rule pertaining to reimbursement?
3. Is the requestor entitled to additional reimbursement?

The services in dispute are for outpatient hospital services and are therefore subject to the requirements of 28 Texas Administrative Code 134.403 (d) which states in pertinent part, "For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided..." The applicable Medicare payment policy may be found at [www.cms.gov](http://www.cms.gov).

### Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 97 – "Payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated." 28 Texas Administrative Code §134.403 (b)(3) states,

Medicare payment policy means reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.

Review of the Medicare National Correct Coding Initiative Edits founds at [www.cms.gov](http://www.cms.gov), finds no edits exists between these two codes in dispute, (72070 and 72110). The carrier's denial is not supported. The services in dispute will be reviewed per applicable rules and fee guidelines.

2. 28 Texas Administrative Code §134.403(f) states in pertinent part,

The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.

(1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

(A) 200 percent;

Procedure code 72070 and 72110 have a status indicator of Q1. Typically this status indicator is not separately payable however per <https://www.cms.gov/Medicare/Coding/OutpatientCodeEdit/Downloads/Appendix-B-Final-Summary-of-Data-Changes.pdf>, Final Outpatient Coding Edits, for 2015 under "Definitions" the following instruction is given: "For codes with SI of "Q1, Q2, and Q3", the APC assignment is the standard APC to which the code would be assigned if it is paid separately."

Based on the APC of the remaining services in dispute, the MAR is calculated below:

Submitted code	Status Indicator	Multiple Procedure Discounting	APC	Payment Rate	Unadjusted labor amount = APC payment x 60%	Geographically adjusted labor amount = unadjusted labor amount x annual wage index	Non labor portion = APC payment rate x 40%	Medicare facility specific reimbursement (geographically adjusted labor) amount + non labor portion)	Maximum Allowable Reimbursement
72070	Q1	No	0261	\$95.02	$\$95.02 \times 60\% = \$57.01$	$\$57.01 \times 0.8197 = \$46.73$	$\$95.02 \times 40\% = \$38.01$	$\$46.73 + \$38.01 = \$84.74$	$\$84.74 \times 200\% = \$169.48$
72110	Q1	No	0261	\$95.02	$\$95.02 \times 60\% = \$57.01$	$\$57.01 \times 0.8197 = \$46.73$	$\$95.02 \times 40\% = \$38.01$	$\$46.73 + \$38.01 = \$84.74$	$\$84.74 \times 200\% = \$169.48$
									\$338.96

3. The total allowable for the services in dispute is \$338.96 the carrier previously paid \$169.48. The remaining balance of \$169.48 is due to the requestor.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$169.48.

## ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services in dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$169.48 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

### Authorized Signature

_____ Signature	Peggy Miller _____ Medical Fee Dispute Resolution Officer	July 20, 2016 _____ Date
--------------------	---	--------------------------------

## YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**